



Licensing Gotchas

A whitepaper from Licensing School

Licensing School

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Louise Ulrick

Executive Summary

Software Compliance

It is our experience that becoming and remaining compliant on software licensing is important to most organisations, and over the years we have helped many companies to understand, and correctly apply, Microsoft's software licensing rules.

Our business has been built and designed to reduce the risk of your organisation becoming non-compliant, by helping you to understand the licensing implications of the business decisions you make when undertaking IT projects. From a technical specification we can assist you in determining which licences you need to purchase and the best way to acquire those licences.

We have developed a process to recognise when you need to engage specialist help and support. Our 4Ps model identifies the key steps when your business is likely to make a decision that will either cost you money through a lack of knowledge to apply the correct licensing rules, or potentially leaves your organisation at risk by unwittingly being non-compliant.

Licensing Gotchas

The scenarios in this document are, of course, not exhaustive in the field of potential non-compliance, but serve as an indication of the breadth of the scope of today's licensing pitfalls. In each scenario you'll find details of what the organisation is trying to achieve with any areas of non-compliance highlighted and advice as to how they would resolve these. There are also links to supporting documentation for each scenario.

Working with Licensing School

We are an independent consulting services company, who can provide impartial advice on your licensing situation. We do not provide audits, or indeed share any information with software vendors. Perhaps most importantly, we are not a software reseller and so saving you money on your licences is of as much satisfaction to us as it will be to you!

If you would like to work with us, then please contact us at info@licensing-school.co.uk. If you are interested in staying up to date on all things licensing, then follow us on Facebook, Twitter or LinkedIn - just search for licensing-school.

Paul Burgum
Head Master of Licensing School

Scenario 1: Rights to Windows 8 Enterprise

Background

Cyan Ida's Pharmacy purchased Windows 7 Professional with Software Assurance through their Volume Licensing agreement. They made use of their rights to new versions and have deployed Windows 8 Enterprise locally onto their users' machines.

They are coming to the end of their agreement and the SA will expire next month.

Licensing Rules

Organisations which purchase a Professional edition of the Windows client with Software Assurance receive rights to install the Enterprise edition of Windows. They also receive rights for greater flexibility in deploying Windows, such as the rights to run virtual desktops.

When the SA expires, the additional rights expire, but the organisation may continue to use and install the Enterprise edition of the software on the devices that were covered with SA.

Supporting Documentation

Microsoft Product Use Rights – October 2013 (bit.ly/1bHqNKa)

~ Page 108: see point 9 of the Windows 8.1 Enterprise SA section

Windows 8 and Windows RT Volume Licensing Reference Guide – June 2013 (bit.ly/Qjltzs)

~ Page 6: see the final paragraph of the "Acquiring Software Assurance for Windows" section

Conclusion

Cyan Ida's Pharmacy may continue to use and install the Windows 8 Enterprise software. This right is tied to the originally licensed device and will expire when the device is retired.



Scenario 2: Rights to Windows To Go

Background

Tangerine Truckers want to deliver corporate desktops to their users and have decided to make use of the new Windows To Go technology in Windows 8. This allows them to give each user a pre-configured USB stick which they can use in a device to access their personalised corporate desktop.

All users' devices are already licensed with Windows 8 Pro which was acquired pre-installed with the devices.

Licensing Rules

The use rights for the products can vary with the channel through which the licences were acquired. Purchasing licences through a Volume Licensing program typically gives the most use rights and this is true of Windows 8. The right to deploy Windows 8 in a Windows To Go scenario is only included with Windows 8 Pro licences purchased under a Volume Licensing agreement with Software Assurance.

Supporting Documentation

Microsoft Product Use Rights – October 2013 (bit.ly/1bHqNKa)

~ Page 109: see the Windows To Go Rights section

Windows 8 and Windows RT Volume Licensing Reference Guide – June 2013 (bit.ly/Qjltzs)

~ Page 9: see the Windows To Go Rights section

Conclusion

Tangerine Truckers need to add Software Assurance to the licences that they purchased through the OEM channel to receive the rights to deploy Windows 8 in a Windows To Go environment.



Scenario 3: VDI Desktops delivered to iPads

Background

Maroon Balloons have set up a Virtual Desktop Infrastructure to deliver Windows 8 and Office Professional Plus 2013 desktops to their users. All corporate-owned PCs are licensed for Windows with SA and Office.

For added flexibility, many senior directors have started to bring their iPads to work to access their virtual desktops.

Licensing Rules

Any device that runs Windows and Office must be licensed for both products. This is true even if the products are accessed through a virtual desktop when SA is also required on the Windows licence to allow the desktop to run in a data centre rather than just locally. In this scenario, the iPad needs to be separately licensed for Windows and Office.

Supporting Documentation

Microsoft Product Use Rights – October 2013 (bit.ly/1bHqNKa)

~ Page 24: see the General License Terms for Desktop Operating Systems and point 5 for permitted remote use

~ Page 15: see the General License Terms for Desktop Applications and point 9 for permitted remote use

Microsoft Licensing for the Consumerization of IT – September 2012(bit.ly/16yZOfE)

~ Page 4: see the “recommend approach” section in “Scenario 1: Bringing a Tablet Device not running Windows to Work”

Conclusion

Maroon Balloons are correctly licensed to deliver their VDI desktops to their corporate machines that are licensed with Windows + SA and Office. If they want to deliver the desktops to further devices while users are at work they need to license those devices with Windows and Office. There are a variety of ways for them to do this.



Scenario 4: Down-Edition Rights for Office Professional Plus 2013

Background

Spring Green Grocers have an estate of 100 PCs used by their 100 users. All of the users need to use Office and so Spring Green Grocers have acquired 75 Office Professional Plus 2013 licences and 25 Office Standard 2013 licences through their Volume Licensing agreement to license the 100 PCs.

To give all users a similar experience they have decided to install Office Standard 2013 on all machines.

Licensing Rules

Licences acquired through a Volume Licensing agreement allow downgrade rights but do not always give down-edition rights – this is where an organisation can purchase a higher edition licence and install a lower edition. There are no down-edition rights for Office Professional Plus 2013.

Supporting Documentation

Microsoft Product Use Rights – October 2013 (bit.ly/1bHqNKA)

~ Page 19: there is no mention of down-edition rights in the Office Professional Plus 2013 section, compared to the SQL Server 2012 Enterprise down-edition rights detailed on page 48, for example

Downgrade rights for Microsoft Volume Licensing, OEM, and full-package product licenses – September 2012 (bit.ly/17o1yEf)

~ Page 4: details of downgrade rights for Office Professional Plus

Conclusion

Spring Green Grocers are not compliant since they have installed an edition of Office 2013 for which they do not have a licence. There are no down-edition rights for Office Professional Plus 2013 and so they should ensure that they install the edition of the software for which they are licensed.



Scenario 5: Delivering Project and Visio through RDS

Background

Periwinkle Packaging Solutions use Remote Desktop Services to run Project and Visio on a server for their users to access from their 50 hotdesk machines.

Only 5 users will ever use Project and Visio and thus only 5 licences for these products have been purchased.

Licensing Rules

Project and Visio are both licensed by device and every machine that accesses Project or Visio must have a licence assigned to it. This rule applies regardless of whether the product is installed on the device or whether the device is being used to access the product on a server. Once licences have been assigned to a device, they may only be re-assigned after 90 days.

Supporting Documentation

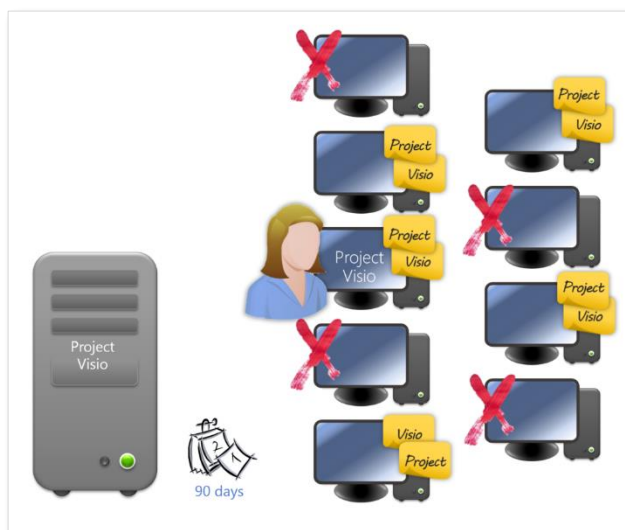
Microsoft Product Use Rights – October 2013 (bit.ly/1bHqNKA)

~ Page 15: General License Terms for Desktop Applications – see point 1 (assigning a licence to a single device) and point 9 (permitting access to software running on a network server from a licensed device)

~ Page 10: see the License Reassignment section with details on restrictions on reassigning licences within 90 days

Conclusion

Even though Periwinkle Packaging Solutions have only 5 users who will use Project and Visio at any one time, all of their devices are able to access the products on the server. There is no user licensing for Project and Visio – both products are licensed by device, and so Periwinkle Packaging Solutions should purchase a licence for each device. They may not move the licences between devices any more frequently than every 90 days.



Scenario 6: Portable Use Rights in Company-Wide Agreements

Background

Mauve Stoves have an Open Value Company Wide agreement. They have 75 users who all have a desktop machine and a laptop.

They have purchased 75 Office Professional Plus 2013 licences through this agreement for the desktop machines and will license the laptops via Office Portable Use Rights.

Licensing Rules

Organisations which purchase Office licences through a Volume Licensing agreement receive Portable Use Rights. The Office licence is assigned to a user's primary device and they are then permitted to also install the software on a portable device. However, this right is not available when Office is acquired through a company-wide agreement.

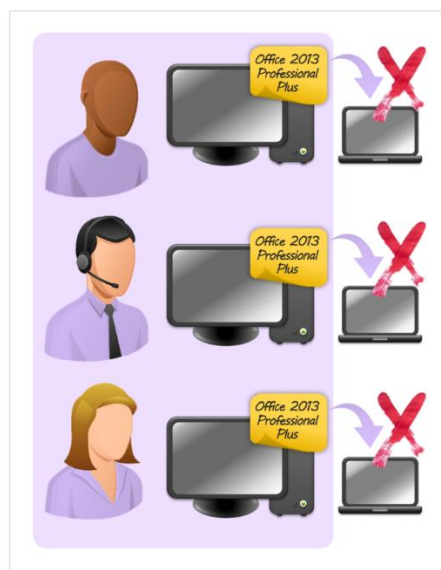
Supporting Documentation

Microsoft Product Use Rights – October 2013 (bit.ly/1bHqNKa)

~ Page 15: see the General License Terms for Desktop Applications and point 3 for permitted portable use rights

Conclusion

If Mauve Stoves choose to license Office through a company-wide agreement such as Open Value Company Wide then they must purchase Office licences for ALL desktop and laptop devices. Alternatively, they may choose to purchase their licences through an Open agreement, for example, and then make use of the Portable Use Rights to license their laptops.



Scenario 7: Applying Product Use Rights to Downgraded Software

Background

Peach Snaps Cameras have deployed Windows Server 2008 R2 Enterprise under the downgrade rights included with their Windows Server 2012 Standard licences which they acquired through a Volume Licensing program.

They have done this to receive rights to run four virtual machines rather than the two that Windows Server 2012 Standard now allows.

Licensing Rules

Organisations that purchase licences through Volume Licensing programs may exercise downgrade rights to install an earlier version of the product. However, the use rights for the version licensed, not the version being run, will apply.

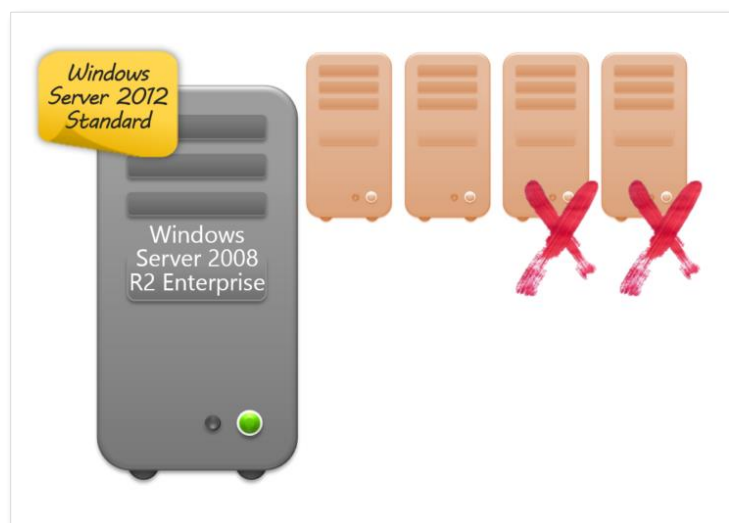
Supporting Documentation

Windows Server 2012 Licensing & Pricing FAQ – April 2013 (bit.ly/NaO5sH)

~ Page 8: see the table detailing licensing rights that apply for installed versions and editions

Conclusion

Peach Snaps Cameras may exercise their downgrade rights to deploy Windows Server 2008 R2 Enterprise edition under their Windows Server 2012 licence. However, the virtualisation use rights of Windows Server 2012 Standard will apply to the Windows Server 2008 R2 deployment, and they will not be compliant if they run four virtual machines under a single licence.



Scenario 8: Licensing Dependent Software

Background

The Lemon Launderette have deployed Project Server to manage projects in their business.

They have purchased a Project Server licence and Project Server CALs for all their devices.

Licensing Rules

When Project Server is installed there are technical requirements for a number of other products to support the deployment. Any users or devices accessing the services of the Project Server must also be licensed for these underlying products.

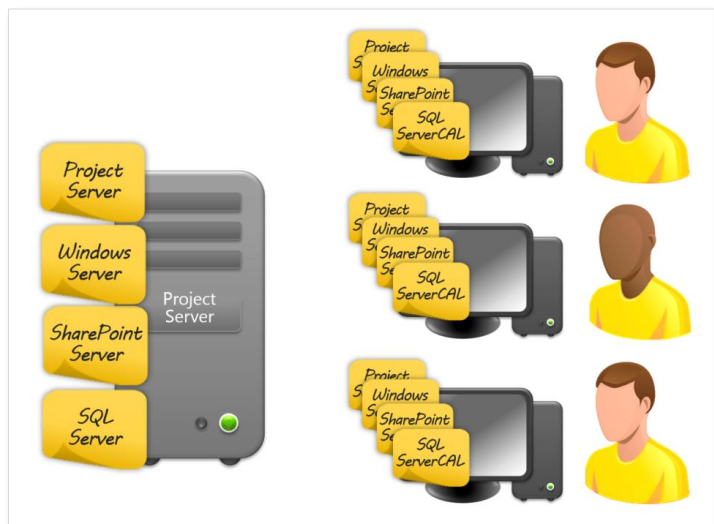
Supporting Documentation

Microsoft Software License Dependency Reference Guide – April 2012 (bit.ly/1gzeg19)

~ Page 5: see the Project Server section for confirmation of its dependencies

Conclusion

A Project Server deployment also requires Windows Server, SharePoint Server and SQL Server. The Lemon Launderette should ensure that all of their devices are licensed for all of these products as well as Project Server.



Scenario 9: Server Licence Mobility

Background

The Papaya Hire Company have a server farm which they are starting to virtualise. Currently they have three physical servers with 6 virtual machines running SQL Server 2012 Standard that move freely between the physical boxes.

They have opted to license SQL 2012 Standard with the Server/CAL model and have thus purchased a SQL Server 2012 licence for each of the virtual machines.

Licensing Rules

SQL Server 2012 Standard edition licences do not have Licence Mobility rights. Thus, although technically the virtual machines may move freely between the physical servers, the licences may only be moved between servers every 90 days. Licence Mobility rights are available by adding Software Assurance to the licences.

Supporting Documentation

Microsoft Product Use Rights – October 2013 (bit.ly/1bHqNka)

~ Page 40: SQL Server 2012 Standard – see the final paragraph on License Mobility rights

Conclusion

The Papaya Hire Company do not have Licence Mobility rights on their SQL Server 2012 Standard licences and thus are not licensed for the virtual machines to move between the physical servers. Adding Software Assurance to the licences will give Licence Mobility rights and provide the flexibility they require.



Scenario 10: MSDN Software Usage Rights

Background

The Cobalt Bolt Company have a large development environment for a SQL Server application they are building. They have a number of developers working on the application and have purchased an MSDN subscription for each person working on the project.

The development environment requires Windows Server and SQL Server, and System Center is used to manage it all. They have used MSDN software to license all of these products.

Licensing Rules

MSDN software is licensed per user and allows unlimited use of the software for licensed users in a development or test environment. In this scenario, System Center has been deployed to manage the environment which is normal use of System Center and thus may not be licensed with MSDN licences.

Supporting Documentation

Microsoft Product Use Rights – October 2013 (bit.ly/1bHqNKA)

~ Page 57: see the General License Terms for Developer Tools

Microsoft Visual Studio 2012 and MSDN Licensing - June 2013 (bit.ly/17BiEk2)

~ Page 17: see the section on “Monitoring and Managing Development and Testing Environments Requires Management Licenses”

Conclusion

The Cobalt Bolt Company may use their MSDN subscriptions to license the Windows Server and SQL Server components of the test and development environment. However, they must purchase System Center licences through their Volume Licensing agreement in order to use System Center to monitor and manage this environment.

